



JB Pritzker
Governor

Thomas D. Chan
Acting Director

Illinois Employment Security Advisory Board
June 17, 2019
Minutes

Board Attendees:

Springfield: Mark Denzler
Mark Grant
Rick Terven
Bill Potts

Chicago: John Easton
David Prosnitz

Phone: James Argionis
Sharon Thomas Parrott
Rob Karr

With a quorum of the members present, the meeting was called to order by Chairman Argionis.

Agenda:

1. A motion to amend meeting minutes from March 21, 2019 to add David Prosnitz to the list of attendees was made and seconded, and the amended minutes were approved.
2. Director's Comments (Thomas Chan)

Acting Director Thomas Chan introduced IDES's new Chief of Staff, Ray Marchiori, the new Acting Chief Fiscal Officer, Isaac Burrows, and the new Legislative Assistant, Steven Donald. He discussed the Governor's search for IDES's permanent Director and then gave a review of IDES related legislative items which passed in the recent session.

3. Integrity Update (Thomas Chan & Trina Taylor)

As of June 1, 2019, IDES has prevented a over \$1 billion in potential benefit overpayments; identified \$112 million in overpayments and recovered \$280 million. The U.S Department of Labor continues to emphasize the need to reduce improper payments in the UI program and has instructed states to have a rate of improper payments below 10%. IDES last reported that the improper payment rate in Illinois was 10.2%. As of quarter ending December 31, 2018, IDES's improper payment rate is 9.6% which marks the first time Illinois has fell below the percentage since the standard was introduced in 2013. Illinois has met or exceeded the UI Performance Core Measures and Secretary Standards for quarter ending March 31, 2019 in all categories involving payment promptness, determination timeliness and quality, overpayment detection and improper payments since March 2005, except for UI Overpayment Recovery. IDES is making progress towards the two USDOL audit performance standards that it did not meet for 2018: (1) auditing 1% of all contributory employers and (2) auditing at least 1% of total wages. To meet the minimum audit figure for calendar year 2019, IDES needs to complete approximately 3,300 audits or about 275 audits per month. In April we completed 284 audits and in May we completed 305. Our audit

division is confident it will meet the minimum requirement thanks to new staff and new training programs.

**On June 24, 2019 an e-mail was sent to the ESAB members after the meeting in response to a question by member Mark Denzler. It contained the start dates for each of the benefit integrity measures employed by IDES. They are as follows: National Directory of New Hires Crossmatch October 31, 2011; Inmate Crossmatch June 23, 2015; Invalid Social Security Number Crossmatch December 27, 2012; Work Search Crossmatch February 19, 2014; Secretary of State Crossmatch December 10, 2014; Treasury Offset Program December 1, 2011; Comptroller Offset January 9, 2015.*

4. Quarterly Financials Presentation (George Putnam)

Unemployment Trust Fund Report: The state's UTF account ended the 2017 calendar year with a positive balance of \$1.60B and 2018 with a balance of \$1.92B. Year-end balances are projected to remain positive through 2022 – the extent of the forecast horizon – which is expected to close with a balance of \$910M. However, starting in 2019, the account is expected to run annual deficits through the end of the horizon. IDES has begun testing the USDOL/ETA Trust Fund Solvency model (released on March 15) to use for comparison to the Agency's model.

5. Open Discussion (Thomas Chan)

Acting Director Thomas Chan discussed the required ethics training and announced the scheduled meetings of the ESAB for Fiscal Year 2020 as September 19, 2019, December 12, 2019, March 19, 2020 and June 18, 2020—all at 10:00 a.m.

Motion to adjourn was made and seconded. The meeting adjourned.